

State of South Dakota

SEVENTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 1997

400A0255

SENATE BILL NO. 207

Introduced by: Senator Shoener and Representative Roe

1 FOR AN ACT ENTITLED, An Act to limit the application of preexisting waiting periods for
2 health insurance policies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-17-16 be amended to read as follows:

5 58-17-16. A policy which the insured has the right to continue in force subject to its terms
6 by the timely payment of premium until at least age fifty or, in the case of a policy issued after
7 age forty-four, for at least five years from its date of issue, may contain in lieu of the provision
8 in § 58-17-15 the following provision, ~~from which the clause in parentheses may be omitted at~~
9 ~~the insurer's option~~, under the caption "Incontestable."

10 "After this policy has been in force for a period of two years during the lifetime of the insured
11 (excluding any period during which the insured is disabled), it shall become incontestable as to
12 the statements contained in the application."

13 ~~—"No claim for loss incurred or disability, as defined in the policy, commencing after two~~
14 ~~years from the date of issue of this policy shall be reduced or denied on the ground that a disease~~
15 ~~or physical condition not excluded from coverage by name or specific description effective on~~
16 ~~the date of loss had existed prior to the effective date of coverage of this policy."}~~

1 Section 2. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as
2 follows:

3 Any accident and sickness policy or certificate subject to the provisions of this chapter, other
4 than a health benefit plan as defined in § 58-17-66(8), shall comply with the following provisions:

5 (1) No policy or certificate may deny, exclude, or limit benefits for a covered individual
6 for claims incurred more than twelve months following the effective date of the
7 person's coverage due to a preexisting condition;

8 (2) No policy or certificate may define a preexisting condition more restrictively than:

9 (a) A condition that would have caused an ordinarily prudent person to seek
10 medical advice, diagnosis, care, or treatment during the twelve months
11 immediately preceding the effective date of coverage;

12 (b) A condition for which medical advice, diagnosis, care, or treatment was
13 recommended or received during the twelve months immediately preceding the
14 effective date of coverage; or

15 (c) A pregnancy existing on the effective date of coverage.